

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-03254A
Rancheros Bonitos Water Co., L.L.C.
14550 S. Avenue 4E
Yuma, AZ 85365

RECEIVED

JUN 05 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

68-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Rancheros Bonitos Water Co.</u>		
Mailing Address <u>14550 Ave 4E</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>9287264094</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address _____		
(Street)		
_____	_____	_____
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Don Scapbrough</u>			
(Name)		(Title)	
<u>14550</u> (Street)	<u>Ave 4E</u> (City)	<u>Yuma</u> (State)	<u>85365</u> (Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Pager/Cell No. (Include Area Code)		Email Address _____	
On Site Manager: _____			
(Name)			
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Pager/Cell No. (Include Area Code)		Email Address _____	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☒ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☒ YUMA

☐ STATEWIDE

COMPANY NAME

Rancheros Bonitos Water Co 2016

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	50,000		50,000
304	Structures and Improvements	1,000	1,000	—
307	Wells and Springs	17,469	4893.80	12575.20
311	Pumping Equipment	4850	4850	—
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9695	9600	95
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	2025	2020	5
335	Hydrants	2500	2500	—
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3000	2700	300
341	Transportation Equipment	6521	3912	2609
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	100	100	—
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	97,160	30,575.80	65,584.20

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	50,000		
304	Structures and Improvements	1,000	10%	100-
307	Wells and Springs	17,469	10%	1,746.90
311	Pumping Equipment	4,850	10%	485-
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	9,695	10%	970-
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	2,025	10%	202-
335	Hydrants	2,510	10%	251-
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3,000	10%	300-
341	Transportation Equipment	6,521	10%	652-
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	100	10%	10.00
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			4,715.90

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

Rancheros Bonitos Water Co. 06

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1280.34	\$ 224.84
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1280.36	\$ 224.84
	FIXED ASSETS		
101	Utility Plant in Service	\$ 70,300.10	\$ 65,886.20
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	26,859.90	30,575.80
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ 98,440.34	\$96,162.00

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 9844036	\$ 9662.00

COMPANY NAME Rancharos Bonitas Water Co. 06

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue	12,131.14	11,329.08
474	Other Water Revenues <i>Salestax</i>	891.09	826.57
	TOTAL REVENUES	\$ 13,022.71	\$ 12,155.65
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 2,400 ⁰⁰	\$ 4,975.00
610	Purchased Water		
615	Purchased Power	4,956.66	6,276.80
618	Chemicals		
620	Repairs and Maintenance	330 ⁰⁰	3,640.67
621	Office Supplies and Expense	1,437.96	1,573.62
630	Outside Services		
635	Water Testing	2,189.88	988.46
641	Rents	1,200 ⁻	1,200.00
650	Transportation Expenses		
657	Insurance -- General Liability	518 ⁻	577.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	4,115.90	4,715.90
408	Taxes Other Than Income	891.04	826.57
408.11	Property Taxes	1,654.58	1,631.22
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 20,294.07	\$ 25,405.24
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ 2,727.36	\$ (3,249.59)

COMPANY NAME	Rancheros Benitos Water 06
--------------	----------------------------

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	02	01	01	03
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 9900	\$ 6521	\$ 10679	\$ 5600
Amount Outstanding	\$ 9900	\$ 6521	\$ 10679	\$ 5600
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ /

Meter Deposits Refunded During the Test Year \$ /

COMPANY NAME	Rancho Bonito Water Co	06
Name of System	ADEQ Public Water System Number (if applicable)	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
602959	1	250		8	4	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000	2	2000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	RBWC 06
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	38			
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →			N/A	N/A

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☐ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

YUMA COUNTY TREASURER

PROPERTY TAX RECEIPT

Account: U0000013 Receipt Date: 27-APR-2006 Print Date: 01-JUN-2007 Page: 1
 Parcel Nb: Receipt No: 61919 TransNo: 61060427083549
 Owner Name and Address Information Property Location

RANCHEROS BONITOS WATER CO
 C/O DON SCARBROUGH
 14550 S AVENUE 4 E
 YUMA AZ 85365

Legal Description

CENTRALLY VALUED PROPERTY ACCOUNT 55-027. PARCEL 112-58-019.

CENTRALITY WESLEYAN

Payor		MOP	Reference	Amount Paid		
RANCHEROS BONITOS WATER CO		Check	2192	\$631.22		
Year	Applied as	Tax Paid	Int Paid	Fee Paid	Other Paid	Total Paid
2005	TAX Whole	606.94	24.28	0.00	0.00	631.22
Year	Tax Due	Int Due	Other Due	Total Due	Payments	Balance Due
2006	531.48	35.44	0.00	566.92	0.00	566.92
2005	606.94	24.28	0.00	631.22	631.22	0.00
BALANCE DUE AS OF 06/01/2007						566.92

ck 2192

4/19/06

\$631.22

last of 05 taxes

~~none pd for 2005~~

THANK YOU FOR YOUR PAYMENT
 All payments made by check are subject to final bank clearance.
 YUMA COUNTY TREASURER
 410 MAIDEN LN STE C
 YUMA, AZ 85364

COMPANY NAME Rancho Los Bonitos Water Co YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 631.22

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

JUN 05 2007

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

AZ CORP COMM
Director Utilities

COUNTY OF (COUNTY NAME)
<u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Don Scabroush</u>
COMPANY NAME
<u>RBWC</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

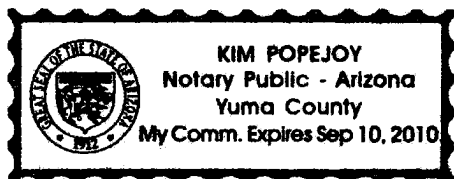
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



[Signature]
SIGNATURE OF OWNER OR OFFICIAL
(928) 726-4199
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4/11

DAY OF

COUNTY NAME	<u>Yuma</u>
MONTH	<u>June</u>
	<u>2007</u>

(SEAL)

MY COMMISSION EXPIRES

SEPT 10, 2010

[Signature]
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME _____ YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following: *Water Co. operating at a loss*
no income Reported

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

6/1/07
DATE

Don Scarborough
PRINTED NAME

OWNER
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

JUN 05 2007

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>YUMA</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Dan Scarbrough</u>
COMPANY NAME <u>RBAC</u>

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 12,155.65

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 826.57
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

(SEAL)

MY COMMISSION EXPIRES _____

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

COUNTY NAME	
MONTH	, 20__

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
JUN 05 2007
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>YUMA</u>	
NAME (OWNER OR OFFICIAL) <u>Don Scarborough</u>	TITLE <u>OWNER</u>
COMPANY NAME <u>RBU</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

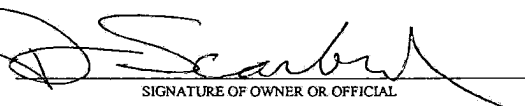
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>12,155.65</u>
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 826.57
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

(928) 726-4199
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

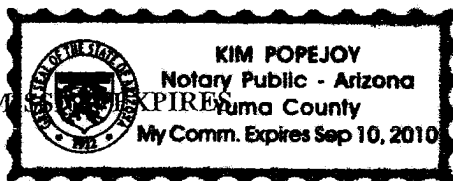
4TH

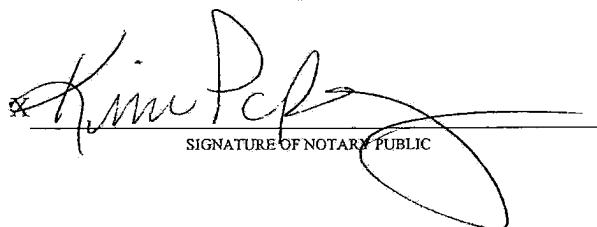
DAY OF

NOTARY PUBLIC NAME <u>Kim Popejoy</u>	
COUNTY NAME <u>Yuma</u>	
MONTH <u>JUNE</u>	.20 <u>07</u>

(SEAL)

MY COMM




SIGNATURE OF NOTARY PUBLIC